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Boost for gold output

CATALPA Resources proposed merger with its major shareholder Lion Selection will boost projected gold output from 95,000oz to 126,000oz and importantly increase earnings per share.

When the dust settles, shareholders can expect the larger merged group to re-rate towards a 19c share price.

Resource Capital Research said with the Edna May plant being built the merger is a positive development that will increase gold output and EPS and should accelerate Catalpa's re-rating towards a more lofty 130koz producer status (100koz pre merger).

Catalpa's commissioning gold pour is on track for next April.

Following an inspection of site construction activities at the Edna May gold project in Westonia last month, Resource Capital Research estimates 30 per cent of targeted plant construction milestones to be ahead of schedule, with the remainder at, or close to, target.

Media Monitoring

4 January 2010

THE AUSTRALIAN ONLINE

<http://www.theaustralian.com.au/business/top-100-ways-to-profit-this-year/story-e6frg8zx-1225815356931>

Top 100 ways to profit this year

- Tim Blue
- From: [The Australian](#)
- January 02, 2010 12:00AM

GOOD stock-picking will be the key to market success in 2010, as the world calms down from its great financial upheaval. Our sharemarket is up, unemployment is down and a more sedate world seems in store for the year ahead, which is not to say we are entirely out of the woods.

A few moments' reflection pops up the obvious perils, such as how the world's central banks might ease up on the throttle while steering around another chaotic episode, and how we deal with climate change.

The big call is whether the bankers get it right: if they do, there should be more demand for energy in all its forms and flow-on benefits to those who dig, haul and fix the machines.

For investors, here are some ideas from across the board, as collected by The Australian's contributors and sources.

FUNNY MONEY

Risky, but with potential for big gains

1. ARB Corporation (ARP)

The maker of four-wheel-drive accessories is one of the better managed small companies in Australia. An upbeat sales report saw ARB rally strongly and if we keep buying cars as much as we have, further gains are possible.

2. Impact Minerals (IPT)

A diversified junior explorer, looking for uranium in WA and Botswana, nickel and platinum in WA and gold projects in Queensland. Stands to get a big lift in price if it makes a discovery, especially at its promising Botswana tenements. Hartley rates it a speculative buy.

3. Navitas (NVT)

Educational services provider here and overseas in areas such as English language training, high school courses and university preparation. Recently signed a memorandum of understanding to explore opportunities and develop co-operative program of educational activities with Charles Darwin University in the NT.

4. North Queensland Metals (NQM)

A micro-cap gold producer for investors with a healthy appetite for risk, according to Lincoln Indicators. The company has 60 per cent of the Pajingo Gold Mine in Queensland and has exploratory projects including Dotswood, Baal Gammon (Copper) and Twin Hills. The company grew strongly in the past year due to a rise in production and strong gold prices. Tipped by Lincoln Indicators.

5. SAI Global (SAI)

The business standards publisher earns about 90 per cent of revenue from recurring, annuity-style income each year. SAI is well-placed for acquisitions, with one likely target in RP Data, the property sales database provider.

6. Salmat (SLM)

The direct marketing company is showing growth under new chief executive Grant Harrod through cross-selling and moves to lower costs. Has just won a \$15 million-a-year contract from Coles to distribute its national catalogue.

7. Wotif.com (WTF)

A leading provider of online accommodation booking services, which has grown since listing in June 2006 to a \$1.3 billion capitalisation company. Lincoln Indicators expects it to continue to perform strongly and has valued the company at \$6.44 per share, above trading prices. Now growing its business in Asia.

ENGINEERS

8. Monadelphous Ltd (MND)

An engineering group that provides services to the resources, energy and infrastructure sectors. Trades at a premium to its industry peers, on an annualised return on assets of 27.9 per cent and earnings per share growth of 43 per cent a year over the past four years. Rated the best small-cap stock in the market by Lincoln Indicators. Morningstar says accumulate.

9. Mermaid Marine (MRM)

The largest provider of marine logistics and services for the boats in the North West Shelf of WA. Hartley Stockbroking says it has the best business model to take advantage of increasing development offshore, with unique port and logistic assets in Dampier and Broome.

10. Decmil (DCG)

Operating at Karratha for more than 30 years, directly contracting to Woodside and Chevron. Will gain much work from the Pluto LNG development. Hartley rates it the best valuation play in the sector. It trades below 10 times P/E, has a strong order book and is in net cash (\$25m).

OIL AND GAS

11. Oil Search (OSH)

Stock held down by recent equity issues. PNG country risk remains real but has underlying value of \$8.30 a share, according to StockAnalysis for LNG and existing oil and gas business. "Exposure to a world class LNG project," says Stock Resource.

12. AWE (AWE)

Premier oil and gas producer, to rank king of the mid-cap castle. Active explorer in Taranaki, Bass and Perth basins. Self-funding from operations, with net cash position.

13. Strike Energy (STX)

An Australian-based oil and gas explorer and producer with operations in Australia and the US, already producing at the Rayburn project. The outlook is positive, says Lincoln Indicators.

14. Horizon Oil (HZN)

Growth in China and PNG, plus exploration appeal in Taranaki and PNG. Value below 40c, says StockAnalysis. Debt-free and self-funding.

SPECULATIVE EXPLORERS

15. Antares Energy (AZZ)

Emergent Texas-based oil and gas developer. Potential for \$2 share price says StockAnalysis, if test work proves up strong oil flow.

16. Oilex (OEX)

An oil driller with promising targets in the Timor Sea, relatively close to existing fields with production infrastructure. Oilex's share of the Lore 1 well could deliver it close to 20 million barrels of oil, though the latest well was a duster. Rated a speculative buy by Hartley, with a 27c price target.

GOLD

17. Gold One International (GDO)

An explorer and producer in South Africa and Australia. Has a 13-million-ounce resource base but is yet to prove itself as a producer and has just downgraded its 2010 calendar year production (to 100,000-120,000 ounces, from 140,000oz).

18. Catalpa Resources (CAH)

An emerging West Australian-based gold producer, formed by merger with Lion Selection. Well-hedged production of 100,000- plus ounces a year from July 2010, with earnings of 30c plus a share; should support a share price of more than \$2 a share, says Peter Strachan of StockAnalysis.

19. Focus Minerals (FML)

Producing from several smaller mines around Coolgardie targeting 70,000oz in CY2009 and +80,000oz in CY2010. FML has just finished the refurbishment of its mill so costs will drop going forward and allow more treatment flexibility. The company has 1.9 million ounces in resources from over 20 separate sources, though reserves are less than 100,000oz. Hartley suggests the large number of small resources requires ongoing drilling and exploration to enable the conversion to reserves, but also demonstrate the likelihood of long mine life.

20. Silver Lake Resources (SLR)

A mid-cap gold producer that re-opened the historic high-grade Daisy Milano mine in 2007 for relatively low capex, generating good cashflow almost from start-up. Three new lodes within 120m of current mining areas at Daisy Milano should lead to production and mine life increases, according to Hartley. Silver Lake Resources has exploration potential at both Mt Monger and Murchison projects.

COPPER

21. OZ Minerals (OZL)

Strong operational performance and \$1bn cash in the bank to offset debt obligations makes OZ Minerals a buy recommendation from Fat Prophets. Its single operation at Prominent Hill is up and running and performing well, and allows the company to focus on copper while looking around for ways to expand through exploration and acquisitions.

RESOURCE HEAVIES

Commodity prices have shrugged off previous weakness, but many wonder if they are due to ease again.

22. BHP Billiton (BHP)

Hard to go past in any scenario. Our most diversified miner, with exposure to rising gold and many other commodity prices.

23. Woodside Petroleum (WPL)

At current prices during the one-for-12 rights issue at \$42.10, Woodside has moved into buy territory, according to StockAnalysis. Its annual gas and oil production is set to double by 2012.

TECHNOLOGY

24. Codan Limited (CDA)

Codan is a South Australian niche technology firm that designs and makes products for the broadcast industry, notably shortwave radios and satellite transceivers. Sales have been strong and there is leverage to the global economic recovery. In February 2008 it acquired Minelab Electronics and now makes consumer and countermining metal detectors for all markets. A consistent dividend payer, now yielding 6.8 per cent. Lincoln Indicators says it will meet its forecast growth outlook.

25. Data3 Limited (DTL)

DTL licences software and provides software asset management services as well as IT infrastructure and staffing solutions to corporate clients. It has won contracts with the National Broadband Network Company, the National Australia Bank and McWilliams Wines. While somewhat expensive and warning of competitive pressures on margins and pricing, the company expects to pay healthy dividends (currently yielding 5.8 per cent.)

26. ASG Group Limited (ASZ)

ASZ provides technology applications and business systems integration to government agencies and private companies nationally. The company is a certified partner with many vendors, such as HP, Oracle and Microsoft. Sentiment on ASZ has been positive as the company has shown its ability to grow despite a very challenging economic environment. Lincoln Indicators says that with a strong historical performance and a positive outlook, ASZ is an attractive investment option.

27. Reckon Limited (RKN)

RKN develops, localises, distributes and provides after-sales technical support for users of its accounting software products in Australia, New Zealand and Britain. The company's brands include QuickBooks, Quicken, ReckonElite and APS. RKN management expects 50 per cent revenue growth for FY09. "With strong fundamentals and good growth prospects, RKN is an investment option worth considering," says Lincoln Indicators.

HEDGE FUNDS

28. WaveStone Capital Absolute Return Fund

A benchmark long-short Australian equities investor that aims to outperform the RBA cash rate by 7 per cent a year over a rolling three-year period. Zenith is confident in WaveStone's investment style, approach and management ability. WaveStone, through its long-short capabilities, will try to exploit market inefficiencies as stocks become mispriced over the market cycle. The fund maintains a long bias over the medium

term, with expected net average exposure of 60-65 per cent. Has earned 12.5 per cent a year for the past three years.

29. K2 Asset Management's Asian Absolute Return Fund

A long-short absolute return fund that invests in Asian equities markets excluding Japan. Zenith says the Melbourne-based investment team is well resourced with nine members (including five staff directly involved in the Asian equities investment process). It is up 43 per cent in 09 to November.

30. Bennelong Long Short Equity Fund

An absolute return managed fund based in Melbourne run by Richard Fish that has produced positive returns every year since inception in 2003, including a positive return of 11.9 per cent during the GFC. For wholesale investors, including self-managed super funds, with a minimum investment of \$500,000. Recommended by Australian Fund Monitors.

GLOBAL PROPERTY

Global listed property funds -- also known as global REITs -- can be a hair-raising ride for the bold, but a good way to play the real estate asset class over the long term. But there are risks as the world economy struggles.

31. Premium SAM Asia Property Fund

Unique exposure to property investing in China, from property- based stocks to assets, investments, production activities, trading or business activities related to property.

Zenith considers the underlying manager, Value Partners, to be expertly qualified, but recommends the fund form no more than 5 per cent of any property allocation. Has earned close to 80pc in the year to October.

32. AMP Capital Global Property Securities Fund

A diversified portfolio of real estate securities listed on sharemarkets around the world.

The fund is hedged to Australian dollars in normal circumstances to minimise currency fluctuations, and draws on analysts in London, Chicago, Singapore and Sydney.

FINANCIAL SERVICES

33. Challenger Financial Group (CGF)

Provider of financial services and products, such as annuities that should prove popular as baby boomers look for safe income streams. Challenger has run strongly for the past year but is still below its peak. Now included in the ASX/S&P 100 index.

SOLID EARNERS

Core investments that will earn and appreciate

34. Westpac (WBC)

Australia's second-biggest bank has had a strong run this past six months. Lincoln Indicators finds it has reliable earnings growth and a wealth of synergies with the integration of St George Bank still yet to come on-stream. WBC is also highly profitable and dividends continue to be very attractive, forecast at 128c per share in the coming year, fully franked.

35. CSL Limited (CSL)

CSL is a global leader in the bioplasma market, and makes vaccines and other prescription pharmaceuticals for the global market. Its most newsworthy vaccine this year has no doubt been Panvax for swine flu. Rated a buy by Morningstar and a star stock by Lincoln Indicators.

36. Wesfarmers (WES)

The stock price has rebounded, perhaps no longer offering value. A well-managed diversified company with interests in retail with Coles, Bunnings, Kmart and Target, plus energy via its coal and LNG interests. StockAnalysis expects its earnings to recover into 2011 as coal price lifts and rural focus improves.

PROMISES, PROMISES

The big and the bold, with a feature to appeal

37. Ramsay Healthcare (RHC)

Private hospital operator Ramsay Healthcare has grown by consolidating an inefficient, fragmented network of service providers that has allowed a merging of infrastructure and delivered cost savings and higher returns. Rated a buy by Morningstar.

38. Sonic Healthcare (SHL)

This pathology operator is now exporting its blue print into internationally fragmented markets with notable assets now in Germany and the US. A history of strong growth in favourable healthcare areas.

39. Transurban (TCL)

Operates tollroads in Melbourne and Sydney and is being pursued by Canadian super funds and our own Future Fund. Its share price has soared but still stands to benefit from future bids and greater future spending on infrastructure.

40. Toll Holdings (TOL)

Shares in the transport company have rallied sharply. Toll is strongly leveraged to better economic activity and there is scope for more growth if returns from offshore operations lift.

41. TFS Corporation (TFC)

Has overcome problems in the managed investments scheme industry and Timbercorp's collapse that has hit some smaller agricultural stocks. TFS may be an exception -- it has rallied sharply despite MIS problems.

42. Origin Energy (ORG)

Origin is building a strong business in upstream production of oil and gas, to complement and diversify from its retail and power generation utility business. It has gas production in the Otway, Bass and Taranaki Basins, along with projects in the Perth Basin and coal seam gas in Queensland which should evolve into LNG projects, in the view of StockAnalysis Peter Strachan: "A solid investment."

43. Telstra (TLS)

Still our dominant telecommunications company, paying an 8.2 per cent fully franked dividend. It is often said to be liable to a carve-up but it still has much cash and reported earnings growth of 10.5 per cent for the year to June and annualised return on assets of 14.16 per cent. Lincoln Indicators suggests it is our best income stock.

44. UGL Limited (UGL)

United Group's focus on providing essential services has resulted in earnings resilience through the downturn, says Morningstar. "Quite remarkable was the performance of the US business Unico, which in US dollars has grown revenues in the severe US recession." The fully franked dividend is currently yielding near 5 per cent. Morningstar says buy below \$13.20.

45. AMP (AMP)

With an uptrend in place, success in its takeover bid for Axa APH could make the insurer and wealth manager a buy, says Fat Prophets. But the converse applies if NAB win the race. A punter might still buy in, as AMP becomes a takeover target itself.

MANAGED FUNDS

Index Funds

A way to have a share portfolio track the overall market, with relatively cheap running costs.

46. Realindex Investments

Realindex managed funds offer investors the usual benefits of lower cost, lower turnover and broad market diversification. The fund is based on a method of indexing that holds stocks not by market capitalisation but by fundamental factors such as

cashflow, dividends, sales and book value. The funds have outperformed their indices, and proved popular since launching in November 2008.

47. ANZ Online Investment

Account

An online savings account where deposits are swept into a fund that matches the S&P/ASX 200 index. A way to grow with the index. Minimum initial deposit required of \$1000, and at least \$100 a time thereafter.

48. Vanguard Index Australian Shares Fund

A market tracker for those who want low cost and low internal capital gains tax obligations from low turnover. It has bounced with the market to deliver a gain of 31.6 per cent in the year to November 30 and 7.6 per cent a year over five years. It can be bought either as a managed fund or as an exchange traded fund. The ETF version launched in May already has delivered a 24.3 per cent gain.

INFRASTRUCTURE

49. RARE Series Emerging Markets Fund

Gives exposure to the growth of infrastructure within emerging markets. An eight-member investment team in Sydney has a collegiate approach given to "healthy internal debate" on stock selection, according to Zenith. Has earned 39 per cent in the year to October

50. Macquarie Emerging Markets Infrastructure Securities Fund

A relatively new fund that offers investors the chance for capital growth and income by investing in listed infrastructure securities within global emerging markets. The fund adopts a bottom-up analysis of individual securities as well as a top-down analysis of the macro-economic health of each country in the portfolio.

AUSTRALIAN EQUITIES

51. GSJBW Australian Equities Wholesale Fund

Uses a fundamental approach to invest in equities. Managed to side-step the GFC to deliver a 12-month return to the end of November of 34.2 per cent, and 10.7 per cent over five years. Recommended by Lonsec.

52. UBS Australian share Fund

In Mercer's Australian equities survey for the year to September, it returned almost 26 per cent when the benchmark returned just 9 per cent. Ranks in the top 10 over three and five years. It is highly diversified and has no style biases, so can be heavily overweight or underweight in value or growth stocks as the managers see fit.

53. Fidelity Australian Equities Fund

An investor in large Australian-listed companies, Fidelity's Australian Equities Fund has ridden up with the bounce in equities markets.

It ranks second in overall performance, with a return of 34.67 per cent a year to November, and 13.26 per cent a year over five years.

54. Colonial First State Wholesale Imputation Fund

CFS's flagship fund has beaten the S&P/ASX 300 Accumulation index by 4 per cent a year, net of fees, since it was set up 20 years ago. It delivered a return of 35.1 per cent in the year to the end of November and 0.2 per cent and 8.5 per cent net of fees over three and five years respectively.

SMALL COMPANIES

55. Pengana Emerging Companies Fund

Invests in securities listed or soon to be listed on the Australian or New Zealand Stock Exchange, has just reached its five-year anniversary, delivering investors a return of 15.5 per cent a year after all fees.

This compares to 1.8 per cent a year for the Small Industrials Index and 6 per cent a year for the Small Ordinaries Index.

It ranks first in Mercer's Wholesale Australian Small Companies Survey over the five years to October 2009. Minimum investment is \$25,000.

56. Colonial First State MIF Future Leaders Fund

A small-cap fund that aims at long term growth in small companies with strong balance sheets. Managements are closely appraised in the process. The fund returned 70 per cent in the year to the end of November, and 17.4 per cent a year since inception in 1995 net of fees.

57. Fairview Emerging Companies Fund

A small-cap fund launched in October 2008 that invests in smaller companies with the objective of providing gross returns of 5 per cent above benchmark for rolling three-year periods.

The boutique structure with strong financial alignment of interests with investors leads to a performance-oriented culture. Fairview has delivered 31 per cent a year since inception.

58. UBS Australian Small Companies Fund

Rated No 2 performer in Mercer's small cap survey for the 12 months to September, returning almost 32 per cent in a year when the benchmark return was 8 per cent. Longer term performance has been similarly strong. UBS is a core manager with no style biases through the cycle, that can be heavily overweight or underweight on value stocks or growth stocks, depending on where it sees value.

INTERNATIONAL EQUITIES

59. Platinum International Fund

One of the great achievers over time, boosted by the past year with a 16.2 per cent return to the end of November, against headwinds of a strong Australian dollar and international uncertainties. Invests only in listed securities and uses shorting and hedging. Minimum investment is \$20,000.

60. Vanguard LifeStrategy Growth Fund

One for investors seeking long-term capital growth with an above average tolerance for risk. This fund returned 13.5 per cent in the 12 months to November 30, 2009 and 4.6 per cent over five years. Offering a mix of Australian shares, international shares, property (local and international), fixed interest and even a small allocation to emerging markets, the Vanguard LifeStrategy Growth Fund has a certain set and forget appeal as Vanguard rebalances the portfolio to the target asset allocation as markets move around.

61. Zurich Investments Global Thematic Share Fund

Periods of high instability in markets emphasise the worth of thematic investing. This fund is a benchmark-unaware portfolio that gives access to investments in developed and emerging economies. S&P considers this fund unique. Over five years to the end of November, the fund has returned 4.5 per cent a year, compared to the MSCI World ex-Australia index of 0.7 per cent.

62. MLC Global Share Fund

For investors who want a truly global approach to investing, rather than combining several regional approaches. Uses seven global managers who can invest in their best ideas anywhere in the world -- developed or emerging countries. Each manager runs a high conviction, tax-aware approach specifically for MLC. The fund has been running since February 1988.

63. Generation Global Share Fund

Generation Investment Management was formed by Al Gore and David Blood with the investment philosophy that the long term profitability of companies is greatly influenced by the social economic and governance factors related to their respective businesses and industry. Launched in September 2007 its track record is impressive.

64. Vanguard US Total Market Shares Index ETF

Offers access to industries and companies in the US sharemarket, and tracks the MSCI US Broad Market Index which covers 99.5 per cent of the total market. The fund's expense ratio is a very low 9 basis points. Be aware that currency movements can affect returns and because the Australian dollar has appreciated so strongly against the US dollar the fund's performance since it was launched in May 2009 is 2.1 per cent. If you take a view that the exchange and US market will work in your favour, it offers diversification benefits over a longer term.

EMERGING MARKETS

The outlook is warming in global emerging markets, but there could be long term rewards for the patient investor.

65. Schroders Global Emerging Markets Fund

Rated five stars by S&P, it has a big team of 32 investment professionals in 12 countries, is well diversified and aims to have half of its returns come from stock selection and half from country allocation. It returned 28.9 per cent in the year to November, though over five years only 0.9 per cent.

INTERNATIONAL COMMODITIES

Investors can buy minerals and individual stocks, but for diversification an actively managed fund in commodities could be useful.

66. MLC Long-Term Absolute Return Fund

Aims to maximise returns above inflation and after investment fees over rolling 20-year periods. With a longer term outlook, it is not required to match short-term peer performance and so draws on less conventional sources of return, including the implementation of a five to eight-year strategic overlay, exposure to global high-yield securities, inflation-linked securities, commodities, private equity, currencies and insurance-related investments. Five years into its 20-year investment horizon, it has performed as expected and is on course to deliver its objective.

67. Credit Suisse Enhanced Commodity Fund

Offers an enhanced exposure to the S&P-GSCI, which is a composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures. This allows investors to gain broad-based exposure to this otherwise difficult asset class. The fund has returned 15.7 per cent to November.

GETTING STARTED

68. ANZ Smarty Pig

An online savings account that enables friends and family to contribute to people's savings goals through social networking sites such as Facebook and My Space. Paying 4.25 per cent a year.

69. HSBC home loan

One of the first for the new year, HSBC offers a cut of 1.5 per cent off the standard variable home loan, so its current variable rate of 6.59 per cent falls to 5.09 per cent, for the first 12 months. Thereafter, of course, it ticks back up, but the HSBC offer includes an ongoing discount of up to 0.8 per cent for the life of the loan.

70. Members Equity First Home Savers Account

For every dollar you put into a First Home Saver Account, the government will add 17c, up to a maximum of \$850 for each financial year. You must save \$1000 of your own to get it, and you can put in more if you like, only the first \$5000 (indexed) is eligible for a co-contribution. Also, the account provider pays interest in this case Members Equity Bank is offering the most at 6.25 per cent a year.

CASH AND CARRY

Investments with high income levels.

71. Perpetual Diversified Income Fund

The rising interest rate environment and the good value on offer in high-grade credit markets make this a very strong investment, given its floating rate nature and attractive yield to maturity. The fund's yield is currently 4 per cent above the bank bill rate. It is rated four stars by S&P and recommended by Lonsec.

72. Cash

Bankwest's Smart eSaver is offering up to 5.20 per cent, if you don't make any withdrawals in a month. If you do you are still guaranteed to earn the official RBA cash rate until June 30, 2011.

73. Term deposits

Best term deposit rates in years are on offer as the banks substitute domestic borrowing for offshore. Commonwealth Bank will pay 7 per cent a year for three years, while St George and ING will pay 6.8 per cent for a one-year term.

LONG-TERM REWARDS

Investments that pay while you wait for capital gains. Some are based on underlying credit products, while other are more diversified.

74. Credit Suisse Global Income Fund

A fund designed to provide certainty of income, while tactically allocating to global credit market opportunities not readily accessible to Australian investors. Over the past 12 months its performance has far surpassed domestic income funds, though all bond-based funds may find it hard to repeat last years performance.

75. Goldman Sachs JBWere Income Plus Fund

Offers an income return that is above the cash rate, quarterly income distributions and diversification in multiple asset classes, such as cash, fixed interest and money market products and a range of high-yielding investments such as hybrids and infrastructure. It beat the benchmark to deliver a return of 4.7 per cent in the year to September.

76. UBS Diversified Fixed Income Fund

Offers a diversified exposure to Australian and global fixed income markets. It delivered a return of 10.65 per cent over the past year, well ahead of the benchmark and most of its peers. Was conservatively positioned going into the financial crisis, enabling it to take advantage of opportunities. In 2009 the fund has increased its exposure to investment grade corporate securities in response to their extreme under-valuation.

CAPITAL PROTECTION

Offering investment safety when markets are falling but, more appealingly, allow investors to ride rising markets, sometimes with gearing.

77. Axa North

Offers 100 per cent capital protection guarantee, with an online platform that allows transactions, contributions and switches throughout the term.

Allows an investor to stay positioned in growth assets of their choice. With terms ranging from five through to 20 years, an investment menu that spans over 110 underlying funds, and the addition of an investment lending facility.

78. JPMorgan ASX 20 Growth Series 1 and 2

With forecasts varying on market returns in 2010, capital-protected products offer protection in a downturn and potentially greater returns from a rising market, at a cost. At the end of November, JPMorgan's ASX 20 Growth Series 1 and 2, as an example, are both up over 75 per cent since being issued in May and July.

ETHICAL INVESTMENTS

Green-tinted investments for the environmentally aware.

79. Perpetual Ethical SRI Fund

Performance (gross) of the Perpetual Wholesale Ethical SRI Fund was 43.9 per cent in the year to October 2009. The Fund screens out companies involved in alcohol, gambling, tobacco, uranium, weapons and armaments, or rated badly on the environment, human rights, animal rights and genetically modified organisms. It then screens in companies that positively impact society and/or the environment. The fund has a "recommended" rating from Lonsec and four stars from S&P.

GEARED INVESTMENTS

80. Colonial Geared Australian Share Fund

Colonial First State pioneered geared share funds and this one has returned 17.7 per cent a year after fees since it was set up 11 years ago. It is attractive for super funds, as all borrowing is done internally and at wholesale rates. Like all geared funds, there can be large fluctuations.

TAX SAVERS

Make the best of "user collectables" , and don't overlook the big one -- the family home

HOME LOAN PACKAGES

Home loan lending rates are going up. Look for the deals with online loans and at packages that throw in the lot.

81. ANZ Simplicity Plus home loan

A no-frills home loan with low fees and a low variable interest rate for the life of the loan. Allows the flexibility of making additional repayments at any time. Check out the others, for example CBA's HomePath for rates and features.

MOVING IT AROUND

82. HSBC Premier

A package to make use of HSBC's global reach. Customers can transfer immediately between their own HSBC accounts in different countries, with preferential foreign exchange rates and no foreign exchange fees. All account balances, from accounts in multiple countries, are visible on one screen online.

83. Credit cards

If there's a time of year when spending runs up, it is now. Make sure you know the charge rate on your card -- the best appears to be 10.99 per cent, offered by St George, among others.

84. ANZ Money Manager

Allows users to view and analyse accounts from different financial institutions on one simple and secure website. Looks a good DIY budgeting tool.

TRAVEL

85. ANZ Travel card

A prepaid Visa card you can load with any one of seven currencies: the US dollar, the euro, the British pound, the New Zealand dollar, the Indian rupee, Canadian dollar or Hong Kong dollar. It is an alternative to using your own debit or credit card or buying travellers cheques. For a fee of \$11 you can load your card, at a known exchange rate, up to a limit, for example \$15,000 in US dollars.

HIDDEN SURPRISES

86. Bottom draw

A change to super law this year could allow you to collect a surprise bonus. Provided you have an inactive super account with less than \$200 in it, you can take it out and run. Sadly, anything above \$200 has to stay until you retire.

87. Super-Trace

CommInsures eligible rollover fund accepts small balances and lost monies from super funds, deposit funds and in some cases retirement savings accounts. Earlier this year the fund and its parent Commonwealth Bank began data-matching lost members against their customer information databases. Since 1994 Super-Trace has relocated 250,000 members with \$721 million in lost super.

88. FIDO

Not a dog, but a way to find other unclaimed funds. See ASIC's website at www.fido.gov.au. For unclaimed super money go to Australia's Unclaimed Super Fund AUSfund www.unclaimedsuper.com.au or check out Australian Taxation Office's Lost Super Register.

SUPER

89. Co-contribution

Put \$1000 of your own into superannuation and collect another \$1000 from the government. You collect the co-contribution in full for incomes up to \$30,342 a year, then it slides before cutting out entirely for incomes of more than \$60,342 a year.

90. Self Managed Super Funds

Despite set up costs of about \$4000 and annual fees of several thousand dollars, self managed super funds offer freedom and satisfaction in running your own investments. An alternative could be a cheap platform or an industry fund offering direct share investment.

91. Salary sacrifice

A good strategy made better as the amount of money held in super becomes limitless and withdrawals tax free for those over 60. The fund pays 15 per cent tax instead of your marginal rate.

92. BT Super for Life

A low-fee fund that combines super with online banking and access to funds that automatically rebalance investment assets over time. The fees are \$5 a month plus 0.99 per cent of funds under management.

RETIREMENT INCOME

Home equity release products offer an income for those asset rich and cash poor. Useful for some but can be expensive compared to a simple loan.

93. CommInsure Investment Growth Bond

A way to achieve capital protection. Three of the investment options have unit price guarantees, while the death benefit guarantee works to effectively pay the total amount

of contributions (less any withdrawals) regardless of movements in the market. The management fee is low at 1.5 per cent for all investment options.

PROTECTION & PREPARATION

Making sure you've got your back and front covered

INCOME PROTECTION INSURANCE

94. Zurich Wealth Protection Income Replacement

Provides regular payments if you are unable to work due to sickness or illness, or experience a period away from employment, such as maternity or paternity leave, sabbatical leave or unemployment. For indemnity income replacement policies, Zurich now takes into account up to the previous 24-months income history prior to a claim for calculating benefits payable, whereas common definitions only include 12-months earnings, which could be impacted if you have not been at work.

95. CommInsure Income Protection Lump Sum Option

Income protection policies usually pay out only monthly taxable benefits at claim time. This one offers the choice of a monthly taxable benefit or a tax-free lump sum if you suffer a serious accident, injury or illness and become totally and permanently disabled.

LIFE INSURANCE

Life insurance can pay a lump sum on your death, terminal illness, total and permanent disablement or if you suffer a trauma condition. Benefits can cover the mortgage and any other debts.

96. Zurich Ezicover

A simple do-it-yourself package of covers to suit a family. It offers death cover (up to \$750,000), trauma essentials (up to \$150,000 for cancer, heart attack, coronary bypass or stroke), income replacement (up to \$3500 a month) and needlestick (up to \$400,000 for occupationally acquired HIV, Hep B or Hep C). Available online.

97. Macquarie Sumo

More insurance options for high-net-worth individuals. There is no cover limit for life and for those who want serious illness and disability income protection, the maximum cover available is above what is available in the market.

98. MLC Critical Illness Best Doctors

Claims a unique medical advice service at no extra cost to MLC's Critical Illness Insurance customers and their families. In the event of a serious illness, a customer can get access to peer-reviewed medical specialists almost anywhere in the world,

to give the ultimate in second opinions.

NEXT BIG THING

China may have slowed, but it's still growing, as is India. Take a long-term view.

99. AMP Capitals Asian Equity Growth Fund

A new fund launched in mid-2009 that offers access to the growth of Asia, through equities with geographic dispersion from greater China, East and Southeast Asia and the Indian subcontinent. AMP Capital was the first Australian company to receive a Qualified Foreign Institutional Investor licence to trade in China A shares (those listed on the Shanghai or Shenzhen stock exchanges).

100. Fidelity India Fund

The Fidelity India Fund offers investors direct access to turbulent Indian markets and companies. It draws on five equity analysts based in India and a fund manager based in Hong Kong, and has a net annualised return of more than 7.5 per cent a year. Rated three stars by S&P and recommended by Zenith and Lonsec. The Australian accepts no responsibility for offering these products. Readers should contact a licensed financial adviser. The author owns Telstra shares, and invests in none of the fund products.

Media Monitoring

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THE AUSTRALIAN ONLINE

<http://www.theaustralian.com.au/business/mining-energy/buy-recommendations-on-ytc-resources-catalpa-resources/story-e6frg9ex-1225814375621>

Buy recommendations on YTC Resources, Catalpa Resources

- PURE SPECULATION: Robin Bromby
- From: [The Australian](#)
- December 29, 2009 12:11PM

BEING one of the few remaining people in Australia who likes to receive letters in the post rather than by email and who has no real idea of what that Twitter thing is all about, your correspondent still relishes the physical presence of a newspaper at the breakfast table.

Only one problem: you can get only so many words into a page, unlike the infinite elasticity of the internet. So, in yesterday's weekly newspaper edition of *Pure Speculation*, we had to be ruthless and brutal. A great many potential items had to be pruned or set aside.

Normally, that would be the end of them. But, becalmed in the silly season but with all that elasticity still available, here are some of the stories that did not make the paper -- but were worth noting. Over the next few days, we'll be catching up on these ignored developments -- and breaking in with any current developments.

Let's start with analysts' reports.

Andrew Muir at Hartleys puts a "buy" on **YTC Resources** (YTC). This company is drilling the Hera gold project 100 southeast of Cobar, NSW. Muir said the main lens drilling result of 18m at 10.4 grams/tonne gold, 0.4 per cent lead and 0.5 per cent zinc was very encouraging. Muir believes the resource and mining inventory in this part of the deposit is likely to be increased. Following from these initial results, he adds, there will be a steady flow of assays in the New Year. Hartleys puts a value of 63c a share on YTC, as against trading this morning at 25c.

Start of sidebar. [Skip to end of sidebar.](#)

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Another gold play, **Catalpa Resources** (CAH) has been getting analyst attention following its merger with the gold interests of Lion Selection Group. Foster Stockbroking puts a "buy" on the company. CAH is expected to become a two-mine producer in 2010, with the first gold pour at Edna May in June. The company has forward sold 352,000oz at an average \$1557.50/oz which Foster says is a prudent level of hedging but leaving some exposure to the spot price. Using a gold price of \$1200/oz, Foster says Catalpa could be producing up to \$80 million of EBITDA by mid-2010. Target price is set at \$2.20, against this morning's \$1.39.

Austock Securities also sees Catalpa as a buy, especially with the recent weakness in its share price. They are more bullish, putting a 12-month target price of \$2.80 a share.

The great *Pure Speculation* postscript continues tomorrow with more untold stories.